

Bet-at-home.com AG

Neutral → | Target 108.00 EUR

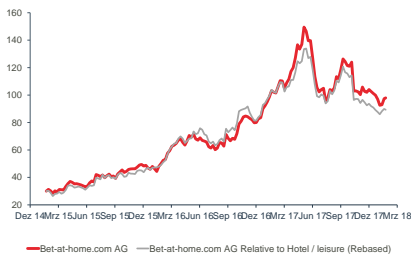
Price (21/02/2018) : 97.95 EUR | Upside : 10 %

Est.chg	2017e	2018e
EPS	-	-

Feedback from 12th ODDO BHF GERMAN CONFERENCE

Publication date 22.02.2018 08:01

Writing date 21.02.2018 14:22



Source : Oddo BHF Securities, Fininfo

Capital

ACX GR ARTG.DE			
Market Cap (EURm)	687		
Enterprise value (EURm)	600		
Extrema 12 months	90.85 - 149.5		
Free Float (%)	28.7		
Performance (%)			
	1m	3m	12m
Absolute	-2.0	-5.1	-7.3
Perf. rel. Country Index	3.1	-3.4	-9.2
Perf. rel. Hotel / Leisure	0.2	-7.9	-15.3

P&L

	12/17e	12/18e	12/19e
Sales (EURm)	122	136	147
EBITDA (EURm)	36.1	43.5	47.7
Current EBIT (EURm)	34.9	42.3	46.5
Attr. net profit (EURm)	32.8	38.7	42.4
Adjusted EPS (EUR)	4.68	5.51	6.04
Dividend (EUR)	7.50	7.00	6.22
P/E (x)	23.8	17.8	16.2
P/B (x)	8.6	8.9	9.8
Dividend Yield (%)	6.7	7.1	6.4
FCF yield (%)	5.9	7.0	5.9
EV/Sales (x)	5.66	4.41	4.14
EV/EBITDA (x)	19.1	13.8	12.7
EV/Current EBIT (x)	19.7	14.2	13.1
Gearing (%)	-102	-114	-113
Net Debt/EBITDA(x)	ns	ns	ns

Next Events

05.03.2018	Earnings Release
02.05.2018	Earnings Release
22.05.2018	Annual General meeting
30.07.2018	Earnings Release

New elements

We met with management at our ODDO BHF German Conference. It is safe to say is that all is well at Bet-at-home, and the company is confident it will deliver on its targets for 2017. Poland was a negative outlier in 2017 due to the banning/blocking of sports betting companies in Poland. Overall, however, it seems the Polish business will not really affect the group's mid-term EBITDA performance. Large portions of opex (mainly marketing expenses) can apparently be relocated to other territories quite quickly without greatly impacting group EBITDA. Management stated that the issues with Poland could take years before the courts in Poland and on the European level lead to a reopening of this market. It is worth mentioning, however, that Polish users effectively continue to use the platform via VPNs (virtual private networks) and online/digital payment methods (like Paypal and others) to bypass the ban by the Polish government.

Preview of full-year 2017e estimates

In €m	Oddo BHF	Consensus	Δ% vs consensus	FY 2016
Revenues	122.7	127.9	-4%	113
EBITDA	36.1	36.0	+0.27%	33
EPS	4.68	4.69	-0.21%	4.42
DPS	7.50	5.70*	+31.8%	7.50

*Adjusted for one outlying broker: € 7.25

Source : Oddo BHF Securities; consensus compiled by Factset

Main message on the outlook

The company's EBITDA guidance range for 2017 remains unchanged at € 34-38m. Given our current estimate of € 36.1m and consensus of 36.1m, we remain confident that the company will meet its guidance. For 2018e we remain confident that our forecast of € 43.5m will lie within the company's new guidance range (to be released with the final 2017 numbers on 05 March).

The dividend remains an important topic. The company reiterated its guidance to propose a DPS for 2017 of € 6-8.00. The consensus DPS forecast stands at € 5.70; we estimate € 7.50 for 2017e. However, if we exclude one outlier broker DPS forecast of €2.57, the consensus rises to € 7.25.

Conclusion - Impact on EPS/Recommendation/TP

We believe Q4 2017e will come in as expected since the sporting results showed no indication of any major deviations that would imply a weaker Q4 sports betting result. In terms of the online casino business, Q4 2017 was strong – especially last few weeks of December – but still within the range of expectations. Thus, no surprises there either. As a result, we feel comfortable with our current estimates and valuation. As mentioned above, the only outlier in 2017 was the Polish business, but we doubt there was much negative impact from this in Q4 2017 as we believe that the company already reallocated marketing expenses to other countries. Thus, the EBITDA impact should be minimal. We leave our TP at € 108 and reiterate our Neutral rating. The volatility is high at the moment with the stock trading between € 90 and >100. Considering the dividend yield of ~7% (based on our DPS estimate of € 7.50) and the ongoing strong fundamentals, short-term weaknesses in the share can be used as a Buying opportunity.

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ARTG.DE | ACX GR
Leisure | Germany

Neutral

Price 97.95EUR

Upside 10.26%

TP 108.00EUR

	12/12	12/13	12/14	12/15	12/16	12/17e	12/18e	12/19e
PER SHARE DATA (EUR)								
Adjusted EPS	0.49	4.13	7.31	8.23	4.42	4.68	5.51	6.04
Reported EPS	0.49	4.13	7.31	8.23	4.42	4.68	5.51	6.04
Growth in EPS(%)	-62.9%	ns	76.8%	12.6%	-46.3%	5.9%	17.8%	9.7%
Net dividend per share	0.60	0.80	1.20	4.50	7.50	7.50	7.00	6.22
FCF to equity per share	-0.17	5.57	6.86	7.74	8.31	6.50	6.83	5.78
Book value per share	9.77	12.71	19.22	26.30	15.80	12.98	10.99	10.03
Number of shares market cap	3.51	3.51	3.51	3.51	7.02	7.02	7.02	7.02
Number of diluted shares	3.51	3.51	3.51	3.51	7.02	7.02	7.02	7.02
VALUATION								
12m highest price	16.23	17.95	29.49	49.88	84.90	150	105	
12m lowest price	8.35	10.06	16.94	27.80	43.02	82.27	90.85	
(*) Reference price	12.22	12.98	22.36	36.96	64.90	111	97.95	97.95
Capitalization	42.9	45.5	78.5	130	455	780	687	687
Restated Net debt	-38.7	-22.0	-30.3	-53.3	-99.5	-92.5	-87.8	-79.6
Minorities (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial fixed assets (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Enterprise Value	4.2	23.5	48.2	76.4	356	688	600	608
P/E (x)	25.2	3.1	3.1	4.5	14.7	23.8	17.8	16.2
P/CF (x)	26.1	2.2	2.5	4.4	14.2	23.0	17.2	15.8
Net Yield (%)	4.9%	6.2%	5.4%	12.2%	11.6%	6.7%	7.1%	6.4%
FCF yield (%)	ns	42.9%	30.7%	20.9%	12.8%	5.9%	7.0%	5.9%
P/B incl. GW (x)	1.25	1.02	1.16	1.41	4.11	8.56	8.91	9.76
P/B excl. GW (x)	1.30	1.05	1.19	1.43	4.16	8.69	9.07	9.96
EV/Sales (x)	0.06	0.32	0.51	0.76	3.15	5.66	4.41	4.14
EV/EBITDA (x)	2.3	1.6	1.8	2.4	10.8	19.1	13.8	12.7
EV/EBIT (x)	3.6	1.6	1.9	2.5	11.2	19.7	14.2	13.1
(*) historical average price								
PROFIT AND LOSS (EURm)								
Sales	76	75	95	100	113	122	136	147
EBITDA	1.8	15.0	26.7	31.7	33.0	36.1	43.5	47.7
Depreciations	-0.6	-0.7	-0.9	-0.9	-1.2	-1.2	-1.2	-1.2
Current EBIT	1.2	14.3	25.8	30.8	31.9	34.9	42.3	46.5
Published EBIT	1.2	14.3	25.8	30.8	31.9	34.9	42.3	46.5
Net financial income	1.1	1.1	1.7	2.0	2.2	0.8	0.2	0.1
Corporate Tax	-0.6	-0.9	-1.8	-4.0	-3.1	-2.9	-3.8	-4.2
Net income of equity-accounted companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss of discontinued activities (after tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attributable net profit	1.7	14.5	25.6	28.9	31.0	32.8	38.7	42.4
Adjusted attributable net profit	1.7	14.5	25.6	28.9	31.0	32.8	38.7	42.4
BALANCE SHEET (EURm)								
Goodwill	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Other intangible assets	1.0	0.8	1.0	2.0	2.7	3.5	4.3	5.0
Tangible fixed assets	1.1	0.9	2.1	3.9	5.5	7.0	8.3	9.4
WCR	-7.8	19.5	32.7	31.7	1.9	-13.2	-24.5	-24.9
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ordinary shareholders equity	34.3	44.6	67.5	92.3	111	91.1	77.1	70.4
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders equity	34.3	44.6	67.5	92.3	111	91.1	77.1	70.4
Non-current provisions	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Net debt	-38.7	-22.0	-30.3	-53.3	-99.5	-92.5	-87.8	-79.6
CASH FLOW STATEMENT (EURm)								
EBITDA	1.8	15.0	26.7	31.7	33.0	36.1	43.5	47.7
Change in WCR	-1.5	-0.8	-4.4	1.0	29.8	15.1	11.3	0.0
Interests & taxes	0.5	0.2	-0.2	-1.9	-0.9	-2.1	-3.6	-4.1
Others	-0.7	5.5	4.3	0.0	0.0	0.0	0.0	0.0
Operating Cash flow	0.2	19.9	26.4	30.8	62.0	49.1	51.2	43.6
CAPEX	-0.8	-0.4	-2.4	-3.7	-3.7	-3.4	-3.2	-3.1
Free cash-flow	-0.6	19.5	24.1	27.2	58.3	45.6	48.0	40.5
Acquisitions / disposals	0.0	-32.0	-13.0	-0.1	0.0	0.0	0.0	0.0
Dividends	0.0	-4.2	-2.8	-4.2	-15.8	-52.6	-52.6	-49.1
Net capital increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in net debt	-0.6	-16.7	8.3	22.9	42.5	-7.0	-4.7	-8.6
GROWTH MARGINS PRODUCTIVITY								
Sales growth	14.2%	-1.1%	26.9%	5.9%	12.5%	7.6%	11.9%	8.0%
Lfl sales growth								
Current EBIT growth	-76.2%	ns	80.4%	19.4%	3.5%	9.5%	21.2%	10.0%
Growth in EPS(%)	-62.9%	ns	76.8%	12.6%	-46.3%	5.9%	17.8%	9.7%
Net margin	2.3%	19.4%	27.1%	28.8%	27.5%	27.0%	28.5%	28.9%
EBITDA margin	2.4%	20.1%	28.2%	31.6%	29.3%	29.7%	32.0%	32.5%
Current EBIT margin	1.6%	19.2%	27.2%	30.7%	28.2%	28.7%	31.1%	31.7%
CAPEX / Sales	-1.0%	-0.5%	-2.5%	-3.6%	-3.2%	-2.8%	-2.4%	-2.1%
WCR / Sales	-10.3%	26.1%	34.5%	31.6%	1.7%	-10.9%	-18.1%	-17.0%
Tax Rate	24.9%	5.9%	6.6%	12.1%	9.1%	8.0%	9.0%	9.0%
Normative tax rate	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Asset Turnover	-13.7	8.2	3.2	2.6	4.5	24.1	-22.7	-14.8
ROCE post-tax (normative tax rate)	-15.5%	ns	62.1%	58.2%	91.0%	ns	ns	ns
ROCE post-tax hors GW (normative tax rate)	ns	ns	65.1%	60.4%	96.3%	ns	ns	ns
ROE	5.1%	36.8%	45.8%	36.2%	30.5%	32.5%	46.0%	57.5%
DEBT RATIOS								
Gearing	ns	-49%	-45%	-58%	-90%	ns	ns	ns
Net Debt / Market Cap	-0.90	-0.48	-0.39	-0.41	-0.22	-0.12	-0.13	-0.12
Net debt / EBITDA	ns	ns	ns	ns	ns	ns	ns	ns
EBITDA / net financial charges	-1.7	-13.6	-16.1	-15.6	-14.9	-46.2	-217.5	-477.1

Source: ODDO BHF Securities, Fininfo



• **Valuation method**

Our target prices are established on a 12-month timeframe and we use three valuation methods to determine them. First, the discounting of available cash flows using the discounting parameters set by the Group and indicated on Oddo BHF website. Second, the sum-of-the-parts method based on the most pertinent financial aggregate depending on the sector of activity. Third, we also use the peer comparison method which facilitates an evaluation of the company relative to similar businesses, either because they operate in identical sectors (and are therefore in competition with one another) or because they benefit from comparable financial dynamics. A mixture of these valuation methods may be used in specific instances to more accurately reflect the specific characteristics of each company covered, thereby fine-tuning its evaluation.

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Buy: performance expected to exceed that of the benchmark index, sectoral (large caps) or other (small and mid caps).

Neutral: performance expected to be comparable to that of the benchmark index, sectoral (large caps) or other (small and mid caps).

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Recommendation and target price changes history over the last 12 months for the company analysed in this report

Date	Reco	Price Target (EUR)	Price (EUR)	Analyst
16.03.17	Neutral	108.00	110.50	Marcus Silbe, CEFA
02.02.17	Neutral	100.00	92.70	Marcus Silbe, CEFA

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Recommendation split		Buy	Neutral	Reduce
Our whole coverage	(409)	50%	39%	10%
Liquidity providers coverage	(132)	41%	52%	8%
Research service coverage	(57)	53%	44%	4%
Investment banking services	(52)	73%	19%	8%

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